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Financing of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994

Financing of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991

Revised estimates for the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia: effect of changes in rates of exchange and inflation

Report of the Secretary-General

Summary

A preliminary recosting is reflected in the budgets for the biennium 2010-2011 for both the International Criminal Tribunal for Rwanda (A/64/478) and the International Tribunal for the Former Yugoslavia (A/64/476).

In order to update the costing parameters, the proposed budgets are recosted prior to their adoption by the General Assembly. The present report provides the latest data on actual inflation experience, the outcome of salary surveys, the annual cost-of-living adjustments, the movement of post adjustment indices in 2009 and the effect of the evolution of operational rates of exchange in 2009 on the proposed budgets for the Tribunals for the biennium 2010-2011.

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After recosting, the resource requirements for the biennium 2010-2011 as proposed by the Secretary-General would amount to $244,615,400 gross for the International Criminal Tribunal for Rwanda and $290,923,100 gross for the International Tribunal for the Former Yugoslavia.

1. To provide a comparable basis on which to analyse increases and decreases from one biennium to another, the proposed budgets for the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia are normally presented at the same price levels and rates of exchange as are used in the current budgets. At the same time, the proposed budgets contain provisions for anticipated increases due to inflation and adjustments due to changes in the rates of exchange. These are isolated and presented separately in the column headed "recosting" in tables in the proposed budgets. The budgets are subsequently recosted three times in the biennial cycle, as follows:

(a) The first recosting is contained in the present report, which is submitted to the General Assembly for the purpose of updating the resource requirements in the proposed budget before an initial appropriation is approved;

(b) The second will be reflected in the revised estimates included in the first performance report on the budget, submitted by the Secretary-General at the end of the first year of the biennium, in connection with the approval of a revised appropriation;

(c) The third will be included in the second performance report, submitted at the end of the second year of the biennium, in connection with the approval of the final appropriation.

2. As indicated in the proposed budgets for the biennium 2010-2011 for the International Criminal Tribunal for Rwanda (A/64/478, para. 27) and the International Tribunal for the Former Yugoslavia (A/64/476, para. 24), the proposed budgets are recosted to take into account changes in operational rates of exchange, actual inflation experience, the outcome of salary surveys, the annual cost-of-living adjustments and the movement of post adjustment indices. Bearing in mind the view of the Advisory Committee on Administrative and Budgetary Questions that the Administration should use such operational rates of exchange in recosting exercises as would allow for the lowest estimates, the recosting in the present report is based on the data available as at December 2009.

3. A summary of the results of the recosting based on the parameters described in the present report is provided in the table below.

Summary of recosting of the proposed budgets for the biennium 2010-2011

(Thousands of United States dollars)

			Recosting			
Proposed budget (gross) *(1)*	*Adjustments recommended by Advisory Committee* *(2)*	*Proposed budget plus Advisory Committee adjustments* *(3)=(1+2)*	*Exchange rate* *(4)*	*Inflation* *(5)*	*Total* *(6)=(4+5)*	*Estimated appropriation (gross)* *(7)=(3+6)*
International Criminal Tribunal for Rwanda						
257 849.9	(18 421.0)	239 428.9	(995.4)	6 181.9	5 186.5	244 615.4
International Tribunal for the Former Yugoslavia						
294 311.1	(20 171.0)	274 140.1	18 181.5	(1 398.5)	16 783.0	290 923.1

4. The proposed revised factors to be applied for the first recosting in the biennial cycle compared with the assumptions applied in the preliminary recosting included in the proposed budgets for the biennium 2010-2011 for the two Tribunals are set out in three schedules:

Schedule I. Rates of exchange relative to the United States dollar and annual rates of inflation by duty station for the Tribunals;

Schedule II. Post adjustment multipliers by duty station;

Schedule III. Annual cost-of-living adjustments by duty station (General Service).

5. The estimated increased requirements of $18,181,500 for the International Tribunal for the Former Yugoslavia in respect of exchange rate fluctuations reflect the weakening of the United States dollar against the euro, while the estimated decreased requirements of $995,400 for the International Criminal Tribunal for Rwanda in respect of exchange rate fluctuations reflect the strengthening of the United States dollar against the Tanzanian shilling and the Rwandan franc. In the present recosting, the average actual rates from January to December 2009 have been used as the basis for recosting for The Hague, while the December rate has been used as the basis for recosting for Kigali and Arusha based on which method yielded the lowest estimates.

6. With respect to inflation, consideration is given, as necessary, to a series of factors, including analysis of the movement of the consumer price index at the different duty stations for goods and services and probable increases in the salaries of General Service staff as a result of the movement of consumer price indices and the outcome of comprehensive salary surveys. In the case of the salaries of Professional staff, while base salaries are not affected by exchange rates, as they are denominated in United States dollars, the post adjustment component moves in response to changes in both the cost of living and exchange rates. Accordingly, the changes resulting from inflation comprise three elements, namely, post adjustment movements for Professional staff, salary adjustments for General Service staff and adjustments to non-post estimates. With regard to Professional staff costs, necessary adjustments are triggered by movements in post adjustment multipliers approved by the International Civil Service Commission. As for General Service salary and non-post requirements, changes are attributable to cost-of-living adjustments and movements in rates of inflation, respectively, relative to those originally estimated. It should be noted in this regard that realized levels of inflation in 2009 directly affect price and salary levels for the forthcoming biennium, so higher-than-anticipated 2009 increases add to the requirements for 2010-2011 for the International Criminal Tribunal for Rwanda while lower-than-anticipated 2009 increases reduce the requirements for 2010-2011 for the International Tribunal for the Former Yugoslavia.

7. For the International Criminal Tribunal for Rwanda, the estimated additional requirements of $6,181,900 because of inflation reflect costs arising in respect of Professional salaries ($1,586,700), General Service salaries ($1,260,800), staff assessment ($170,500) and non-post objects of expenditure ($3,163,900). For the International Tribunal for the Former Yugoslavia, the estimated reduced requirements of $1,398,500 because of inflation relate to reductions under General Service salaries ($589,400), staff assessment ($154,800) and non-post objects of

expenditure ($2,801,200), partially offset by increased requirements for Professional salaries ($2,146,900).

8. **In summary, after recosting, the resource requirements for the biennium 2010-2011 as proposed by the Secretary-General, and taking into consideration the recommendations of the Advisory Committee on Administrative and Budgetary Questions, would amount to $244,615,400 for the International Criminal Tribunal for Rwanda and $290,923,100 for the International Tribunal for the Former Yugoslavia.**

Schedules

Schedule I

Rates of exchange relative to the United States dollar and annual rates of inflation by duty station for the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia

			Rates of inflation applicable to non-post objects of expenditure					
	Rates of exchange 2010-2011		*Proposed budget*		*Present report*			
Duty station (currency)	*Proposed budget*	*Present report*[a]	*2009*[b]	*2010-2011*[c]	*2008*[d]	*2009*[d]	*2010*[c]	*2011*[c]
The Hague (euro)	0.773	0.718	1.7	1.7	2.5	0.7	0.3	1.0
Kigali (Rwandan franc)	551.190	568.000	8.0	8.0	15.4	14.2	9.0	8.0
Arusha (Tanzanian shilling)	1 330.000	1 338.000	7.7	7.7	10.3	11.1	9.0	7.5
New York (United States dollar)	1.000	1.000	2.4	2.4	3.8	(0.8)	1.2	1.3

[a] Based on the 2009 average actual rate for The Hague. The December 2009 rate of exchange was used for Kigali and Arusha.
[b] Revised 2008-2009 appropriation.
[c] Projected.
[d] Final 2008-2009 estimates.

Schedule II

Post adjustment multipliers by duty station

	Proposed budget			*Present report*			
Duty station	*2009*[a]	*2010*	*2011*	*2008*[b]	*2009*[b]	*2010*	*2011*
The Hague	52.10	55.70	58.47	67.57	60.40	72.50	72.50
Kigali	53.73	57.27	63.70	47.01	51.12	53.38	58.88
Arusha	42.47	46.22	52.93	43.44	39.55	48.45	54.95
New York	70.58	73.76	77.30	66.23	68.50	68.50	68.88

[a] Revised 2008-2009 appropriation.
[b] Final 2008-2009 estimates.

Schedule III
Annual cost-of-living adjustments by duty station (General Service)

(Percentage)

	Proposed budget		*Present report*		
Duty station	*2009*[a]	*2010-2011*[b]	*2009*[c]	*2010*[b]	*2011*[b]
The Hague	1.7	1.7	3.63	0.3	1.0
Rwanda (Kigali)	8.0	8.0	0.00	9.0	8.0
Tanzania (Arusha)	7.7	7.7	14.78	9.0	7.5
New York	2.4	2.4	2.63	1.2	1.3

[a] Revised 2008-2009 appropriation.
[b] Projected.
[c] Actual.